



GENERAL AGREEMENT

Buyer's Registration No. 6/2014/PP

Seller's Registration No. 20140414TAC1

concluded pursuant to Section 1746 et seq. of Act No. 89/2012 Coll., of the Civil Code (hereinafter the "Act"), and pursuant to Section 18(1)(a) of Act No. 137/2006 Coll., on Public Contracts, as amended (hereinafter referred to as the "Contract" only).

ARTICLE I. CONTRACTING PARTIES

1. Trüb AG

and

2. STÁTNÍ TISKÁRNA CENIN, a state enterprise

Registered office: Prague 1, Růžová 6, Building No. 943, Postal code: 110 00,
Czech Republic

Registered in the Commercial Register maintained by the Municipal Court in Prague,
under section A LX, File No. 296, Reference No. Ps 296/1

Represented by: **PhDr. Olga Dudková**, Economic Director, the delegation of functions
General Director

Company ID No.: 00001279

VAT No.: CZ00001279

Banking details:

Account number:

IBAN:

SWIFT code:

(hereinafter referred to as the "Buyer" only)

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Authorized persons of the Buyer for discussions pertaining to contractual and economic matters:

PhDr. Olga Dudková, Economic Director, the delegation of functions General Director

Authorized persons of the Buyer for discussions pertaining to material and technical matters:

██████████ Technical Director
██████████ Project Specialist (chip and processes)
██████████ MTZ Manager (factual matters)
██████████ UŘJ Manager (claims)

(hereinafter jointly referred to as the "Contracting Parties")

**ARTICLE II.
SUBJECT OF CONTRACT**

1. The subject of fulfilment of the present Contract is the manufacture and delivery of the data pages bodies for ██████████ (hereinafter the "data page" only) of the Czech Republic (hereinafter the ██████████ only) in five versions:
 - a) ██████████
 - b) ██████████
 - c) ██████████
 - d) ██████████
 - e) ██████████
2. The data pages of ██████████ will be produced in compliance with the draft design elaborated by the Buyer and approved with the Seller. The data page is intended for the production of one piece of ██████████ and will be delivered in semi-finished product → double-production (i.e. two datapages on one piece of polycarbonate sheet).
3. The technical specification of the subject of fulfilment forms **Annex No. 1** to the present Contract. A part of the technical specification of the subject of fulfilment includes secret facts, is filed and registered with the Buyer under ref. No. V4/2005 – R, and is specified in **Annex No. 2** to the present Contract and needs to be defined along general lines. Specification of the transport key ceremony includes secret facts is filed and registered with the Buyer under ref. No. V23/2013, and is specified in **Annex No. 7** to the present Contract.
4. The chip life cycle management concept is an integral part of this contract and is defined in **Annex No. 4** to the present Contract. The Seller is entitled, with written approval from the Buyer, to choose an alternative chip operating system supplier for the deliveries under this contract.
5. The quantity of the subject of fulfilment specified in paragraph 1 of this article will be accomplished by called off orders and specified by the individual call off orders prepared by the Buyer.

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**ARTICLE III.
TIME AND PLACE OF FULFILMENT**

1. The Seller is obliged to deliver the subject of fulfilment to the Václav Havel Prague Airport.
2. The deliveries of the subject of fulfilment will be accomplished by partial deliveries according to the delivery time schedule included in the individual call off orders as agreed by the Contracting Parties for each calendar year for the period of effect of the present Contract. The delivery time schedule included in the individual call off orders as considered and approved by both Contracting Parties is binding for both Contracting Parties.

3.

**ARTICLE IV.
PRICE**

1. The Buyer guarantees the minimum purchase pages for the period of effect of the present Contract.
2. The purchase price of 1 piece of data page, for the deliveries negotiated for the period starting on the date the present Contract is concluded and ending on 31.12.2015, is EUR
3. All duties and applicable taxes levied by authorities of the Czech Republic shall be borne by the Buyer.
4. The price of the subject of fulfilment, as specified in paragraph 2 of this article, is the highest allowable price and it may not be changed.
5. The price of the data pages does not include prospective licence fees related to laser engraving CLI ®.
6. The re-usable packaging (blue boxes from Seller) used for shipping data pages to the buyer is the sole property of the Seller. The Buyer agrees to assist the Seller in recovering and return-shipping the re-usable packaging. The shipping costs are to be borne by the Seller. Other packaging materials of the delivery are not re-usable and are included in the purchase price.
7. The price of security transport and insurance will be determined and billed separately by the Seller according to the actual costs and will be borne by the Buyer.

**ARTICLE V.
TERMS OF PAYMENT**

1. The price of the subject of fulfilment is determined according to article IV of the present Contract. The Seller is obliged to issue and send the invoice to the Buyer in accordance with article VI paragraph 3 of this Contract together with each partial delivery according to the delivery schedule.

R. Štáhl



2. The Buyer will submit the payment order for paying the invoice to the bank in a way that ensures that the billed amount is credited to the Seller's account by no later than the last day of the thirty-day timeframe provided for payment, which will be specified by the Seller on a properly issued invoice.
3. In case of a defective fulfilment of a partial delivery due to the fault of the Seller, the Buyer must lodge a formal complaint with the seller. Buyer will only hand over the order for the payment of the invoice to the bank at once after the remedy of the defective fulfilment and solution of the complaint according to the Article XI paragraph 4 of the present Contract.
4. The payment will be made for the benefit of:

**ARTICLE VI.
PACKAGEING**

1. The data pages in the form of double-production will be packed in paper boxes with plastic infilling, 250 or 200 pieces of double-productions each, marked according to the specification of the Buyer; 4 pieces of paper boxes with plastic infilling will further be placed into plastic transport box marked according to the specification of the Buyer; and the transport boxes will be taped.
2. Each packing (transport box) will be numbered in ascending order and sealed.
3. Attached to each partial delivery will be the following documents:
 - a) 3 copies of the delivery note,
 - b) Invoice
 - c) Air Way Bill.
 - d) Certificates and other documents certifying the quality of each partial delivery.

**ARTICLE VII.
TRANSPORT**

1. The Contracting Parties agreed the delivery

to Article IV para 7. The conditions of transport are specified in Annex No. 3 of this Contract, "Procedure in transportation of e-passports data pages" that includes secret facts and is filed and registered with the Buyer under Ref. No. V3/2005 – R.

2. During the transport of the subject of fulfilment the Seller is obliged to take measures to prevent the misappropriation, damaging or misuse of the subject of fulfilment during transport.

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3. The Seller will announce to the Buyer, in a demonstrable manner, the expected date of arrival of the partial delivery to agreed destination, at least 14 days prior to such date.
4. The Seller will announce to the Buyer, in a demonstrable manner, at least 5 (five) business days before the dispatching of the subject of fulfilment from the plant, the name of the carrier, flight number and the exact date of arrival to the agreed destination point of delivery.

The contact persons of the Buyer are:

██████████ Head of MTZ
phone: ██████████
fax: ██████████
e-mail: ██████████
██████████ officer in charge of supplying
phone: ██████████
fax: ██████████
e-mail: ██████████

ARTICLE VIII. TAKEOVER OF DELIVERY

1. The Buyer's taking delivery of a partial delivery is dependent on the results of the AQL tests for such partial delivery, which is performed by the Buyer according to the agreed AQL conditions, which are formulated in Annex No. 6 to the present Contract. Such AQL tests shall be performed by Buyer within 10 working days after receipt of a partial delivery in accordance with this Article. A partial delivery will consist of tranches as specified below. Buyer may conduct the AQL testing on a tranche by tranche basis accordingly. In such event the below provisions of sub-clauses 2. through 4 of this Article shall apply.
2. For the purposes of this Contract, the term "tranche" refers to the quantity of data pages as specified by the Seller.
3. In the event that an individual tranche successfully passes the AQL test such tranche shall be deemed accepted and delivery taken according to the AQL protocol.
4. In the event that a tranche does demonstrably not successfully pass the AQL test, the Buyer will inform the Seller without delay of the results of the AQL test. The Buyer will initiate a complaint, and, on the basis of a subsequent agreement between both Contracting Parties, a decision will be made as follows, either:
 - a) to return the unaccepted tranche to the Seller; or
 - b) to have the unaccepted tranche checked and resorted by the Seller on the Buyer's premises; or
 - c) to have the defective data pages sorted out by the Buyer in return for compensation after the completing of 100% quality check of the relevant tranche. Based on the written request of the Seller the Buyer agrees to send samples of the defectives data pages to the Seller. The price of transport of the requested samples of defectives data pages will be borne by the Seller.

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ARTICLE IX.
TIME SCHEDULE OF PREPARATION OF PRODUCTION

1. The Contracting Parties have agreed on the following key milestones of the time schedule for preparation of production:
 - a) Delivery of the EAC data pages according of the subject of the present Contract will be available since August 2014 according to term in Article 3 paragraph 3.
 - b) Delivery of the SAC data pages according of the subject of the present Contract – is defined as of end of September 2014
 - c) Agreed Change requests accepted after signing of the contract may change the time schedule stated in the paragraph 1, letter a) and b) of this Article.
2. During the period of contractual performance, the subject of fulfilment will be delivered in the form of either EAC or SAC data pages according to the individual call off orders and as agreed by the Contracting Parties.

ARTICLE X.
FORCE MAJEURE

1. The Contracting Party, for which it was made impossible to fulfil its obligations due to force majeure, is not responsible for the damage resulting of it.
2. Force majeure is understood as an event, such as a natural disaster, general strike, war, terrorist act and the like, that occurred independent of the will of the obliged Contracting Party and prevents it from the fulfilment of its duties. Force majeure does not cover cases which are of a nature that could have been alleviated by a party in good faith through measures that could be taken at the time of origin of the obligation.
3. However, responsibility is not excluded by an event that originated only at the time when the obliged Contracting Party was in delay with the fulfilment of its duty or originated from its economic conditions.
4. The effects excluding responsibility are limited only to the period till the event lasts with which those effects are connected.
5. The Contracting Party claiming force majeure must inform the other Contracting Party in writing about the originating event, at the latest five (5) days from its origin, and also specify the period of its probable duration. Unless the Contracting Party claiming force majeure fulfils the above-mentioned information procedure, it is deemed that it waived its right to claim that event as force majeure.
6. Within the term of eight (8) days from the day of origin of the event the Contracting Party claiming an event of force majeure must supply to the other Contracting Party trustworthy proof confirming the originating event and demonstrating that that event seriously affected the possibilities of the Contracting Party to fulfil the contractual duties. The Contracting Party claiming the event of force majeure must inform the other Contracting Party about the extinction of such an event during five (5) days from the moment of extinction of the event.

Robert M. ph



**ARTICLE XI.
COMPLAINTS**

1. The period of guarantee of the data page is [] from the date of takeover of the relevant partial delivery by the Buyer. The guarantee of the data page is subject to the normal use which is defined by the Seller in Annex No. 5 to the present Contract and has been mutually agreed by both of the Contracting Parties.
2. The Seller is responsible for the due performance of the subject of fulfilment, especially for the observance of the technical specification presented in Annex No. 1 and Annex No. 2 to this Contract, its functionality for the purpose for which it is intended, and for the quantity of the subject of fulfilment specified in the delivery time schedule for the individual partial deliveries according to Article III paragraph 2 of the present Contract. Serving as the basis for the assessment of defects will be the existing verification template and the existing catalogues of defects (limits catalogue), which are approved by both Contracting Parties and is binding for both Contracting Parties.
3. If the data page is sewn into the [] the Buyer cannot lodge a complaint about a defect consisting of scratches.
4. The claims of the defects of the subject of fulfilment will be solved by:
 - a) delivery of the missing quantity of the subject of fulfilment, or
 - b) replacement of the defective subject of fulfilment with a faultless one, or
 - c) the reduction or returning of the purchase price;
 - d) if a complaint regarding a data page in a finished passport booklet is accepted according to the specification in the "monthly-" and following "quarterly claim sheet" applicable to the claimed data pages, the compensation of the actual costs for producing the passport booklet will be in the form of substitute performance.The way of solution of the claim has to be mutually agreed by both contracting parties.
5. When settling the claim, the Contracting Parties shall take into the consideration all facts having an influence on the feasibility of the contractual duties incumbent on the Contracting Party concerned, particularly taking into consideration the Buyer's duty to deliver the agreed volume of [] to the Ministry of Interior of the Czech Republic.
6. Once a month, the Seller shall receive from the Buyer a report specifying the number of [] with defects due to Sellers fault and as specified in Annex No. 6 to this Contract. If requested by the Seller, the Buyer shall provide the defective [] for the time period necessary to perform counter analysis by the Seller. Both Contracting Parties shall mutually confirm this status as soon as possible. Each quarter, these monthly reports will be used to perform an evaluation of the number of defective passport booklets. Once the results are approved by both Contracting Parties, the complaint will be solved according to the paragraph 4 of this Article. In case of the delivery of the substitute fulfilment, the date of the delivery needs to be mutually agreed between both Contracting Parties.
7. The term for discharging the complaint is – subject to mutual agreement as set forth in the preceding paragraph 6 and amounts 30 (thirty) calendar days from its receipt by the Seller. The costs of the replacement of the defective subject of fulfilment with a faultless one and/or the costs of delivery of the missing quantity of the subject of fulfilment are borne by the Seller.
8. The way in which a remedy according to paragraph 4 of this Article will be handled will be agreed during the next deliveries or on the basis of a separate written agreement between the Contracting Parties.

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**ARTICLE XII.
SANCTIONS**

1. The obligation of the Seller ensuing from the present Contract is fulfilled at the moment when the last partial delivery of the subject of fulfilment arrives to the place of fulfilment specified in article III paragraph 1 of the present Contract within the terms provided for according to article III paragraph 2 of the present Contract.
2. In case of Seller's fault to observe the terms negotiated according to article III paragraph 2 of this Contract, the Seller is obliged [redacted]
[redacted]. The payment of the conventional fine does not relieve the Seller of the duty to fulfil the undertakings accepted by the present Contract.
3. If the Seller breaches the rules of safe transport specified in article VII of the present Contract, he is obliged [redacted]
[redacted].
4. The right of the Buyer to receive compensation for the possibly originating damage in accordance the provisions of article XV paragraph 5 of this Contract, namely also for [redacted] however, the Buyer is always obliged to prove the height of the damage.
5. If the Buyer is in delay with the payment of the price of the subject of fulfilment according to article IV paragraphs 1, 2, and 7 of the present Contract, [redacted]
[redacted]
[redacted].
6. The Seller is obliged to pay the conventional fine according to paragraphs 2 and 3 of this article shall be met by the Seller within thirty days of the date on which the Buyer's invoice for the payment of the conventional fine is delivered to the Seller.
7. The Seller is obliged to pay the compensation for damage according to paragraph 4 of this article shall be met by the Seller within thirty days of the date on which the Buyer's invoice for the payment of compensation for damage is delivered to the Seller.
8. The Buyer is obliged to pay the punitive interest according to paragraph 5 of this article shall be paid by the Buyer within thirty days of the date on which the Seller's invoice for the payment of punitive interest is delivered to the Buyer.

**ARTICLE XIII.
GOVERNING LAW**

The questions not provided for in the present Contract at all or partially only, will be governed exclusively by the Czech substantive law, especially by the Civil Code, and interpreted in compliance with it.

E. Čížek



**ARTICLE IV.
SOLVING DISPUTES**

1. In case of origin of a dispute in the performance of the present Contract or in connection with it the Contracting Parties undertake to solve such a dispute by mutual talks.
2. All disputes that could originate from the present Contract or in connection with it will be decided with final validity, with exclusion of the competence of common courts, at the Arbitration Court at the Economic Chamber of the Czech Republic and Agrarian Chamber of the Czech Republic according to its Rules by three Arbitrators appointed according to those rules. In the performance of the function the Arbitrators are independent and they never have the character of a representative of any Contracting Party. The Contracting Parties undertake to fulfil all duties imposed on them in the arbitration award within the terms provided for in it.
3. The arbitration proceedings will be held in Prague in the Czech Republic. The proceedings will be conducted in the English language.

**ARTICLE XV.
SPECIAL PROVISIONS**

1. The Buyer is the exclusive customer and user of the subject of fulfilment for the finished goods specified in article II of the present Contract. The Seller undertakes not to provide the subject of fulfilment to a third person.
2. The Seller guarantees to the Buyer that during preparation, production or during dispatching and transport of the subject of fulfilment, the loss or misappropriation or any other misuse will not occur of the materials used for its production, or the same of the finished subject of fulfilment.
3. The Seller further guarantees to the Buyer that he will allow the Buyer or the representatives of the Czech Republic (especially for the Ministry of Interior of the Czech Republic), maximum twice a year, to perform an audit of the production of the datapage, namely, including the production of the chip. The Seller will ensure that contractually also with the supplier of the chip.
4. Failure to observe the provisions of paragraphs 1 and 2 of this article is an grossly breach of the present Contract resulting in the withdrawal from the Contract from the part of the Buyer, when the title of the Buyer to the compensation of all damages, including lost profit, is not affected.
5. The Seller's liability for damage during the performance of this obligation, including the liability of its employees, partners and affiliate companies, takes into account the quantity
6. The Buyer becomes the user of the subject of fulfilment as soon as its takeover ends. The Buyer becomes the owner of the subject of fulfilment after the payment of the relevant invoice.

E. Čížek WPH



7. Both Contracting Parties are obliged to keep in secrecy the matters connected with the creation and content of the present Contract, including all facts relating to the technical specification of the subject of fulfilment. They undertake to keep confidential the information and reports relating to cooperation itself and internal affairs of the Contracting Parties, if their publishing could damage the other Contracting Party.
8. The Buyer explicitly draws Seller's attention to the fact that Annex No. 2 of the present Contract "Technical specification" which is filed and registered with the Buyer under Ref. No. V4/2005 – R and Annex No. 3 of the present Contract "The procedure during transport of data pages for e-passports" which is filed and registered with the Buyer under Ref. No. V3/2005 – R and Annex No. 7 of the present Contract "Description of the key ceremony" which is filed and registered with the Buyer under Ref. No. V23/2013, are classified with the security level "RESTRICTED" according to the Czech law about protection of classified information and about security eligibility (412/2005 Sb.). As applicable the Seller as a certified high security printing company will provide the level of protection to the listed classified documents which corresponds to the security level for documents marked with "INTERN" according to the Swiss law (510.411 - Informationsschutzverordnung, ISchV) about protection of classified information and Seller shall work with these classified annexes on a "need-to-know" base only.

ARTICLE XVI. **WITHDRAWAL FROM CONTRACT**

1. The Buyer may withdraw from the Contract in case of delivery delays due to Seller's fault, whereas both Contracting Parties agree on the following procedure:
 - a) The Seller informs the Buyer about the delay in delivery of the relevant partial delivery of the subject of fulfilment.
 - b) The Buyer shall provide to the Seller the additional period (minimum 30 days) for delivery of the relevant partial delivery of the subject of fulfilment. The additional period for delivery of the relevant partial delivery commences on the day following the day of delivery of the Buyer's written announcement on the additional period to the Seller.
 - c) Should the Seller be in delay with the delivery of the relevant partial delivery of the subject of fulfilment within the additional period provided by the Buyer, the Buyer is entitled to withdraw from the present Contract. However, Seller shall be entitled to ship partial deliveries in separate lots. If more than 80% of lots is delivered on time the Seller shall not be considered in delay with the concerned partial delivery.
2. This provision does not affect article XII of the present Contract. Each of both Contracting Parties has the right to withdraw from the Contract, if the other Contracting Party breaches in a gross manner the arrangements of the present Contract or acts in contradiction with good manners, whereas both Contracting Parties agree on the following procedure:
 - a) The non-breaching Contracting Party informs the breaching Contracting Party of the existence of the incident in writing within 30 days from the origin of the incident.
 - b) Should the breaching Contracting Party not remedy the breach within 45 days after receiving of the written claim, the non-breaching Contracting Party is entitled to withdraw from the present Contract.
3. The Contracting parties have agreed that the effects associated with withdrawal from the Contract commence on the date of the withdrawal from the Contract.
4. The withdrawing Contracting Party's right to receive compensation for damage is not affected.

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ARTICLE XVII.
PERIOD OF VALIDITY OF CONTRACT

1. The present Contract is concluded for a definite period of time, namely from the conclusion of the Contract to 31 December 2015. Buyer hereby declares that
 - a) if he is the manufacturer of the e-passports for the Czech Republic also after 31st December 2015, and
 - b) if serious/material reason does not prevent to do so,he shall conduct negotiations on the data pages deliveries for the period after 31st December 2015 with the Seller preferentially.
2. The contractual relationship constituted by the present Contract will end:
 - a) by the expiration of the period specified in paragraph 1 of this article, unless the Contracting Parties agree on its extension;
 - b) by written agreement of the Contracting Parties;
 - c) by withdrawal from the Contract under the conditions provided for in article XV paragraphs 4 and further in article XVI of the present Contract.

ARTICLE XVIII.
FINAL PROVISIONS

1. This Contract comes into effect and validity when validly signed by both parties. The Purchase Contract 151/2005/Pa, concluded on 22 December 2005, expires on the same date, except for any obligations of the Parties which came into being before signing of this present Contract and which have not yet been fulfilled by the Parties according the Purchase Contract 151/2005/Pa .
2. The rights and duties ensuing from the present Contract cannot be transferred to a third party without the prior consent of the other Contracting Party.
3. The Contract may be changed and/or amended only by written amendments marked as such a numbered in ascending order after an agreement of both Contracting Parties. Other arrangements are invalid.
4. The Seller guarantees to the Buyer that the subject of fulfilment is not burdened by the rights of third parties for the subject use.
5. Under the conditions provided for in paragraph 2 of this article the present Contract is binding also for possible legal successors of the Contracting Parties.
6. The present Contract was drawn up taking account of the UN Convention on Contracts on International Purchase of Goods (the UN Vienna Convention of 11 April 1980).
7. The present Contract is drawn up in the English and Czech languages, always in two copies with the validity of the original, from which each of the Contracting Parties will receive one copy of each. In case of solution of a dispute and in case of conflict between both languages the English version will be of higher validity.

E. J. M. Ph



Annexes:

- Annex No. 1 – Public technical specifications — EAC and SAC
- Annex No. 2 – Secret technical specifications (V4/2005-R)
- Annex No. 3 – The procedure during transport of datapages for e-passports –restricted annex (V3/2005-R)
- Annex No. 4 – Chip life cycle management concept – EAC and SAC
- Annex No. 5 – Definition of normal use
- Annex No. 6 – Procedure for the taking over of datapages – AQL test
- Annex No. 7 – Description of the key ceremony –restricted annex (V23/2013)

In Aarau, on 16. 4. 2014



Trüb AG
Fernando Dal Zotto
Delegate of the Board of Directors CEO

In Prague, on 11/04/2014



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